

Message Text

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ACTION EA-09

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CINCPAC FOR POLAD

EO 11652: N/A

TAGS: PINT, KS

SUBJECT: PAEK SUNG-BIN SENTENCED

REF: SEOUL 4688 (DTG 070903Z JUN 77)

SUMMARY: LIFE SENTENC METED OUT TO FERTILIZER IMPORTER
PAEK POINTS UP ROKG DETERMINATION TO FIGHT CORRUPTION AND
"PROPERTY FLIGHT," WHILE RELATIVELY LENIENT TREATMENT OF
ASSEMBLYMAN HONG REVEALS MERITS OF PASSIVE ACCEPTANCE OF
JUDICIAL PROCESS. END

1. ON JUNE 10, SEOUL DISTRICT CRIMINAL COURT SENTENCED
PAEK SUNG-BIN, PRESIDENT OF T'AEP'YONG UNITED COMPANY, TO
LIFE IMPRISONMENT AND FINES TOTALLING 4.2 BILLION WON FOR
OVERPRICING IMPORTED FERTILIZER, EVADING TAXES, AND
DIVERTING FOREIGN EXCHANGE ABROAD. COURT ALSO SENTENCED
NATIONAL ASSEMBLYMAN (NA) HONG PYONG-CH'OL (CHEJU-DO,
FORMERLY DRP) TO SEVEN YEARS IN PRISON AND 246 MILLION
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WON IN FINES FOR ACCEPTING BRIBES FROM PAEK TO FACILIATE
IMPORT SCHEME.

2. PAEK'S SEVERE SENTENCE, FIRST LIFE SENTENCE FOR
ECONOMIC CRIME IN MEMORY, WAS ATTRIBUTED TO LARGE AMOUNT
OF FOREIGN CURRENCY HE DIVERTED (\$8.7 MILLION, LARGEST SUM
YET ADJUDICATED) AND PERHAPS EVEN MORE TO HIS UNREPENTANT

ATTITUDE (PAEK SAID HE DESERVED A MEDAL FOR SUPPLYING FERTILIZER WHEN NEEDED AND PHYSICALLY ATTACKED COURT OFFICIALS DURING TRIAL).

3. IN CONTRAST TO PAEK'S RECALCITRANCE, NA HONG PYONG-CH'OL APPEARED IN COURT ON A STRETCHER AND JUST LAY THERE, GIVING NO TESTIMONY: HIS SEVEN-YEAR SENTENCE WAS CONSIDERABLY LESS THAN THE FIFTEEN YEARS THE PROSECUTION HAD DEMANDED, WHEREAS THE PROSECUTORS GOT ALL THEY HAD DEMANDED AGAINST PAEK. THOUGH DISLIKED BY JOURNALISTS (HE WAS KNOWN AS A "GANGSTER TURNED POLITICIAN"), HONG HAD PREVIOUS EXPERIENCE IN PRESIDENTIAL PROTECTIVE FORCE AND IS KNOWN AS ONE OF THOSE MOST LOYAL TO PRESIDENT PAK IN NATIONAL ASSEMBLY. PERHAPS THIS BACKGROUND ACCOUNTS FOR UNUSUAL FACT THAT, ALTHOUGH HONG RESIGNED DRP MEMBERSHIP, HE IS STILL MEMBER OF NA. IN ANNOUNCING THEIR DECISION, JUDGES ARE REPORTED TO HAVE NOTED HONG USED BRIBE MONEY FOR "MANAGEMENT OF HIS ELECTORAL DISTRICT" RATHER THAN FOR HIS PRIVATE FORTUNE AND THAT HE HAD "WORKED FOR THE NATION" IN THE PAST.

4. COMMENT: HARSHNESS OF PAEK'S SENTENCE IN PARTICULAR HAS BEEN RECEIVED WITH SURPRISE AND IN GENERAL IS BEING INTERPRETED AS ANOTHER TOUGH WARNING ABOUT PENALTIES FOR CORRUPTION AND ILLEGAL FOREIGN EXCHANGE HANDLING, EVEN AT HIGHEST LEVELS. AT SAME TIME, WE FIND IT NOTABLE THERE HAS BEEN NO MENTION OF ROKG ADMINISTRATION OFFICIALS WHO LIMITED OFFICIAL USE

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MUST HAVE BEEN INVOLVED, NOR ANY INDICATION OF THEIR FATE. IT WOULD APPEAR THAT ONCE AGAIN, AS IN KANG MUN-PONG CASE, GOVERNMENT IS FOCUSING ITS PUBLIC FIRE ON LINKS BETWEEN BUSINESSMEN AND POLITICIANS IN EFFORT TO DISCOURAGE INDEPENDENT POWER DEVELOPMENT AND BROKERAGE. SNEIDER

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